EXHIBIT A

September 23, 2021

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LINITED STATES DISTRICT COLIDT	Page 1		EVUIDITO	Page 3
UNITED STATES DISTRICT COURT			EXHIBITS	
FOR THE WESTERN DISTRICT OF TEXAS AUSTIN DIVISION				
Plaintiff)()(NO.	DESCRIPTION PAGE	
VS.)(
)(CASE NO. 1:20-cv-00890-RP				
TFS DINING, LLC, AND RPM)(
DINING, LLC DBA YELLOW ROSE;)(,	Tayon Connetery of State Assumed Name	0
JON PERSINGER, ET AL)(1	Texas Secretary of State Assumed Name	0
Defendant)(
ORAL DEPOSITION OF				
JON PERSINGER		2	Texas Secretary of State Registered Agents	9
SEPTEMBER 23, 2021				
(Reported Remotely)				
ORAL DEPOSITION OF JON PERSINGER.				
produced as a witness at the instance of the Plaintiff,		3	The Yellow Rose Entertainer Application 1	9
taken in the above styled and numbered cause on				
September 23, 2021, between the hours of 1:31 p.m. and				
2:41 p.m., before AMANDA FULLER, CSR No. 11418, in and				
for the State of Texas, reported by oral shorthand		4	Base License Fees 40	
method remotely via Zoom, at the residence of the				
witness, located at 3413 Aquamarine Drive, in the city				
of Round Rock, state of Texas, pursuant to the Texas				
Rules of Civil Procedure and any provisions stated on				
the record or attached therein.				
	Page 2			Page 4
APPEARANCES	Page 2	1	THE COURT REPORTER: \	
APPEARANCES COUNSEL FOR PLAINTIFF:	Page 2		THE COURT REPORTER: Note of the court of the court record on September 23, 2021 at 1:3	We are going on the
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Page	5

- 1 A. Yeah. I'm not -- I'm not privileged to say who
- 2 that is, though. That's why it's a trust. I have an
- 3 NDA.
- 4 Q. Oh. All right. Well, that may be something we
- 5 may request then. Is there another person besides John
- 6 and Joseph that you discuss ownership issues with
- 7 when --
- 8 A. Yes.
- 9 Q. -- in regards to the Yellow Rose?
- 10 A. Yes.
- 11 Q. Who --
- 12 A. Michael Persinger.
- 13 Q. -- is that?
- 14 A. Michael Persinger.
- 15 Q. Is Michael Persinger an owner in any way?
- 16 A. No.
- 17 Q. Is Michael Persinger related to you?
- 18 A. Yes. He's my brother.
- 19 Q. And what is Michael Persinger's role with the
- 20 Yellow Rose?
- 21 A. He's a chief consultant.
- Q. And what does he do as the chief consultant?
- A. He consults us on accounting matters and on
- 24 FSLA matters -- or FLSA matters, and he generally writes
- 25 the procedures and manuals and stuff like that and is in

- Page 7

 Rose, was there anyone besides Mr. Joseph and the trust
- 2 that was an owner?
- A. Yes. At one point we had an owner named David
- 4 Frank, and then at one time one of the original owners
- 5 would be my father, Gerald Persinger.
- 6 Q. When did Mr. Frank relinquish or cease to be an
- 7 owner?
- 8 A. You know, I don't recall exactly when. I want
- 9 to say it was the fourth quarter of 2020.
- 10 Q. So I may speak at some point today about the
- 11 relevant period when it comes to this lawsuit, and for
- 12 your reference, what that means is the period from
- 13 August -- I think it's 24th, but I'm going to say
- 14 August 2017 to present. During that time period, the
- 15 relevant period, was Mr. Frank -- did he have some
- 16 ownership interest in RPM Dining, LLC?
- 17 A. Yes.
- 18 Q. And did you just buy him out? Or how did he
- 19 stop being an owner?
- 20 A. It was an agreement between Jonathan Joseph and
- 21 David. They swapped the business ownership interest in
- 22 companies they had mutual ownership in.
- 23 Q. Okay. And do you know the reason for the swap
- 24 in ownership?
- 25 A. No.

Page 6

- charge of, you know, kind of compliance stuff.
- 2 Q. Is Michael Persinger an attorney?
- 3 A. No.
- 4 Q. Is he a CPA?
- 5 A. No.
- 6 Q. And how long have you been an owner in RPM
- 7 Dining, LLC?
- 8 A. Since its formation. I don't recall what year
- 9 it actually was formed. The first -- the first
- 10 corporation was a different corporation when we took
- 11 ownership 28, 29 years ago. But I don't recall which
- 12 year we actually created the LLC.
- 13 Q. Do you remember what the former corporate
- 14 entity was named?
- 15 A. Gala Entertainment.
- 16 Q. And you said you first took ownership in Gala
- 17 Entertainment 28, 29 years ago?
- 18 A. Yeah. I believe it was -- if I recall right,
- 19 it was the third quarter of 1993 is when I bought stock
- 20 in the company.
- 21 Q. Since the time that you first obtained -- well,
- 22 let me be clear. Was Gala Entertainment the corporate
- 23 entity that did business as the Yellow Rose?
- 24 A. Yes.
- 25 Q. Since you had ownership interest in the Yellow

- Page 8

 Q. Other than your ownership in the Yellow Rose,
- 2 do you own any other adult entertainment clubs?
- 3 A. I have 20 -- I think 22 or 22.5 percent
- 4 interest in the Red Rose.
- 5 Q. And where is the Red Rose located?
- 6 A. It's in Austin, Texas.
- 7 Q. How long have you had an ownership interest in
- 8 the Red Rose?
- 9 A. Yeah, that's a good question. I think about a
- 10 year and a half, maybe two years. I don't remember when
- 11 we incorporated.
- 12 Q. Other than the Yellow Rose and the Red Rose, do
- 13 you have ownership interest in any other adult
- 14 entertainment clubs?
- 15 A. No.
- 16 Q. Do you have any involvement in employees,
- 17 staff, consulting in any other adult entertainment clubs
- 18 besides Red Rose and Yellow Rose?
- 19 A. No.
- 20 Q. I'm going to show you what I'm going to mark as
- 21 Exhibit 1 to the depo. Give me just a second so I can
- 22 get my folder. I'll represent to you this is something
- 23 I pulled up off the Texas Secretary of State web site,
- 24 which has a lot of ownership information and companies.
- 25 And this I pulled up is a company called TFS Dining,

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	Page 9	Page 11
1	LLC. Is that a corporate entity that you have any	1 the operation of the Yellow Rose?
2	ownership interest in?	2 A. None.
3	A. Yes.	3 Q. Okay. Who does take on operation of the Yellow
4	Q. What is and I'll represent the page that I	4 Rose?
5	pulled up here and I know it doesn't highlight it	5 A. General management
6	very well when you pull it off the Secretary of State.	6 Q. Who's the general
7	This is an assumed name page, and it's showing that TFS	7 A and the floor managers.
8	Dining, LLC is has got the assumed name Yellow Rose,	8 Q oh, I'm sorry.
9	at least as of March of 2019. Do you is TFS Dining,	9 A. General manager and the floor managers.
10	LLC connected to the Yellow Rose?	10 Q. Who's the general manager of the Yellow Rose?
11	A. No. I don't know why that would be. It's got	11 A. Eddie Gonzalez.
12	to be a clerical error.	12 Q. And does Eddie Gonzalez have to consult you on
13	Q. Okay. So the only entity that does business as	13 any matter related to the operation of the Yellow Rose?
14	the Yellow Rose is the RPM Dining, LLC?	A. If he if he has a question, you know, and he
15	A. Yes.	15 wants to bounce it off me, he does, but he doesn't have
16	Q. All right. Don't want to get my exhibits mixed	16 to. He doesn't get micromanaged by me at all.
17	up, so hold on. Let me show you one more on TFS Dining.	17 Q. Okay. What sorts of things would he has he
18	Okay. I'll show you what I'm marking as Exhibit 2 to	18 typically come to you with
19	the deposition and listing the management or, I	19 A. You know
20	guess yeah, management that the Texas Secretary of	20 Q as may relate to the operation of the Yellow
21	State has for TFS Dining, LLC, and I see your name	21 Rose?
22	listed on there.	A. I only talk to him maybe, God, twice a month if
23	Are those the owners, the correct owners,	23 that.
24	of TFS Dining or people that have ownership interest in	24 Q. Okay.
25	TFS Dining, LLC in Exhibit 2?	25 A. You know, I don't talk to him very often. And,
1	Page 10 A L can't can you blow that up?	Page 12
1 2	A. I can't can you blow that up?	1 you know, most of the things would be like, you know,
2	A. I can't can you blow that up? Q. Sure can.	1 you know, most of the things would be like, you know,2 if if there's a, you know, an expenditure or a
2 3	A. I can't can you blow that up?Q. Sure can.A. I have damaged corneas. I don't see very well,	 you know, most of the things would be like, you know, if if there's a, you know, an expenditure or a promotion or something like that that he has questions
2 3 4	A. I can't can you blow that up?Q. Sure can.A. I have damaged corneas. I don't see very well, so	 you know, most of the things would be like, you know, if if there's a, you know, an expenditure or a promotion or something like that that he has questions about.
2 3 4 5	 A. I can't can you blow that up? Q. Sure can. A. I have damaged corneas. I don't see very well, so Q. Well, and it's awfully small, as well, so 	 you know, most of the things would be like, you know, if if there's a, you know, an expenditure or a promotion or something like that that he has questions about. Or if there's a breach of peace that
2 3 4 5 6	 A. I can't can you blow that up? Q. Sure can. A. I have damaged corneas. I don't see very well, so Q. Well, and it's awfully small, as well, so A. Okay. Jonathan, David, and Jon. Well, yeah. 	 you know, most of the things would be like, you know, if if there's a, you know, an expenditure or a promotion or something like that that he has questions about. Or if there's a breach of peace that happened at the club and he wants to know how to handle
2 3 4 5 6 7	 A. I can't can you blow that up? Q. Sure can. A. I have damaged corneas. I don't see very well, so Q. Well, and it's awfully small, as well, so A. Okay. Jonathan, David, and Jon. Well, yeah. Q. Okay. 	 you know, most of the things would be like, you know, if if there's a, you know, an expenditure or a promotion or something like that that he has questions about. Or if there's a breach of peace that happened at the club and he wants to know how to handle it from a TABC standpoint. You know, that sort of
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1 in-line. You know, he'll bounce it off me.	1 general manager Eddie Gonzalez. How long has he been
2 Q. What's the	2 the general manager for the operations of the Yellow
3 A. He doesn't he doesn't need my permission,	3 Rose?
4 but he'll bounce stuff off me.	4 A. He was assigned that position at the Yellow
5 Q. As the owner, you don't require him to ask you	5 probably a year and a half, maybe two years ago. I
6 permission to set a food promotion at the club, correct?	6 think it's about a year and half. He's worked for us
7 A. No. No.	7 for over three years.
8 Q. You said you have a background in the food	8 Q. Prior to Mr. Gonzalez being the general
9 industry, I take I guess?	9 manager, who was the general manager?
10 A. Well, yeah. I've helped the kitchen out there	10 A. Jason Edwards.
11 for a number of years, and, you know, I've learned a few	11 Q. Is Jason still work with the Yellow Rose?
12 tricks. So I have a really good friend of mine that	12 A. No.
13 worked for Darden Foods, big food company. You aware of	13 Q. Did was he terminated?
14 them?	14 A. No. We amicably parted ways with the Yellow
15 And, you know, I've got access to him, so	15 Rose.
16 I've been able to bounce ideas off him, you know? So	16 Q. Let me ask it a different way. Did you
17 I've got more of a food background than anybody else. I	17 amicably ask him to leave and he said yes?
18 don't think a food industry company would hire me, but,	18 A. Yes, I guess you could say that.
19 yeah, I	19 Q. Well, there's a difference between a general
20 MS. MONGOMERY: Oh, did I lose you?	20 manager saying, "I'm leaving," and you as an owner
21 Mr. Persinger? Can you hear me? I may have lost him.	21 saying, you know, "I'd like you to leave." And so what
22 THE COURT REPORTER: Did you want to go	22 was the reason for Mr. Edwards departure?
23 off the record until we can get him back?	23 A. He he had an opportunity that was closer to
24 MS. MONGOMERY: I was waiting to see if it	24 home.
25 just, like, popped back up again, but it doesn't seem to	25 Q. So is he not from Texas?
Page 14	Page 16
1 be.	1 A. No, but he's from way, way, way South Austin
1 be. 2 THE COURT REPORTER: Okay. So off the	A. No, but he's from way, way, way South Austin which is almost another country.
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JON PERSINGER NATALIE HEATH vs TFS DINING

September 23, 2021 17–20

	Page 17
1	he would come to you and consult on certain matters like

- 2 legal matters or maybe matters related to an area of
- 3 your expertise, but anything else he was handling for
- 4 the club?
- 5 A. Yeah. Like -- like Eddie, I didn't talk to him
- 6 a whole lot, you know? I mean, he might call a couple
- 7 of times a month, if that.
- 8 Q. Who's in charge of hiring the staff at the
- 9 Yellow Rose?
- 10 A. The employees are hired by the managers and
- 11 floor managers.
- 12 Q. Do they ever consult with you on hiring?
- 13 A. No.
- 14 Q. Did you hire the general manager, though?
- 15 A. The ownership group talks about it. I have an
- 16 input and a vote.
- 17 Q. And would the ownership group also set the
- 18 payroll or salary and benefits for the general manager
- 19 of the club?
- 20 A. Yes.
- 21 Q. So if Eddie, for example, wanted a raise, he'd
- 22 have to talk to you and the other owners to ask for a
- 23 raise?
- 24 A. Right. And we would vote on it.
- 25 Q. And do you know -- as the owner, have you had

- Page 19
 Q. And do you lease it from anybody that is also
- 2 an owner in the Yellow Rose?
- 3 A. No.
- 4 Q. It's a totally separate person or entity?
- 5 A. Totally separate.
- 6 Q. That lease that you have, is that something you
- 7 as an owner were involved in the negotiation of?
- 8 A. Me personally, no.
 - Q. Is there a different owner that was involved?
- 10 A. We handed that to Mike Persinger, and he
- 11 negotiated that lease.
- 12 Q. And if that lease -- if and when, I guess, that
- 13 lease comes up for renewal, is Mr. Mike Persinger the
- 14 person that would be in charge of kind of negotiating or
- 15 dealing with that?
- 16 A. Yes.
- 17 Q. Let me show you what I'll mark as Exhibit 3.
- 18 Okay. I think this already has everything redacted, but
- 19 if it doesn't, we may need to redact some. I think the
- 20 personal information's redacted, but let me just make
- 21 sure.
- 22 A. You have a question about this?
- 23 Q. I do. I'm sorry. I have to write down each of
- 24 my exhibits so I remember what I'm marking to give to
- 25 the court reporter. It's -- it's been the hassle of

Page 18

- 1 to fire anyone at the club?
- 2 A. No.
- 3 Q. How often would you say you actually go to the
- 4 club?
- 5 A. Not often. I have a 2017 vehicle. It just
- 6 turned 20,000 miles on it, so I don't leave Round Rock
- 7 very often. So, you know, any time I stop by the club
- 8 is either to deal with a contractor who's doing a job,9 you know, or to just be social, say hi to some people.
- 10 Q. Yeah. And my question is just how frequently
- 11 would you say you do that. Like once a week? Once a
- 12 month?
- 13 A. Yeah, I would say -- I would say, you know, at
- 14 least, you know, once a week or maybe even a little less
- 15 than that.
- 16 Q. Now --
- 17 A. And sometimes -- sometimes I go weeks and don't
- 18 go by the club, so --
- 19 Q. As we sit here today, when was the last time
- 20 you were at the club?
- 21 A. Sunday. I went and watched a football game.
- 22 Q. The building that the Yellow Rose is in, is
- 23 that something that is rented, or is it owned by the
- 24 ownership?
- 25 A. No, we lease it.

Page 20

- 1 Zoom depositions. What I've marked as Exhibit 3 is
- 2 labeled as the Entertainer Application. Are you
- 3 familiar with this application, sir?
- 4 A. Yeah, I seen it.
- 5 Q. Is it something that the ownership came up with
- 6 for the entertainers at the club?
- 7 A. The application was something that Mike, again,
- 8 came up with. And that was him dealing with labor
- 9 lawyers putting this together.
- 10 Q. When did it first -- when was it first, I
- 11 guess, utilized by the club for the entertainers.
- 12 A. I don't I have no idea.
- 13 Q. Well, was it more than five years ago?
- 14 A. This particular one?
- 15 Q. No. I'm just saying any -- I guess any
- 16 entertainer app.
- 17 A. Yeah. I believe -- well, I believe is not good
- 18 because I don't know. But, you know, I do know that
- 19 there's certain things that have to be done like
- 20 E-Verify where we have to turn around and get certain
- 21 information from, you know, independent contractors, you
- 22 know? And I think that something like this has been
- 23 used for a long time.
- 24 Q. Let me ask about this part of it. There's this
- 25 page that -- and I'll make it bigger so you can see it.

24 some -- the general manager or another manager of the

25 club that there's an entertainer that you do not want to

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NATALIE HEATH vs TFS DINING	21–24
Page 21 1 It's entitled Regulatory Compliance.	Page 23 1 perform at the club anymore?
2 A. Uh-huh.	2 A. I don't think so. I doubt it.
3 Q. This is Page 3 of Exhibit 3.	3 Q. And one thing that you had said when you were
4 A. Yeah.	
5 Q. Is that something that has is that something	5 and maybe I heard you correctly; I'm not sure was
6 that you're knowledgeable of?	6 that you only approve independent contractors; is that
7 A. I've never read through it myself, personally.	7 true?
8 Mike, you know, like I said, works with the attorneys	8 A. What are you talking about? For entertainers?
9 and works with the labor attorneys. So, personally,	9 Yeah.
10 I've never read through this one.	10 Q. Yes.
11 Q. Do you know what steps have to be taken in	11 A. Yeah. We have no entertainers that are
12 order for a new entertainer to start performing at	12 employees. They're all independent contractors.
13 Yellow Rose?	13 Q. And when you say that, you mean that they have
14 A. Well, we I know that that we only approve	14 all signed an agreement? This license agreement that
15 independent contractors in person and that a manager has	15 sets forth independent contractor terms?
16 to agree to let that contractor work on his shift. And,	16 A. Yes. And, you know, we don't schedule them,
17 you know, they've got to have a Social Security card,	17 and we don't turn around and tell them when to work
18 and they've got to have an ID that's current, and we've	18 or you know, they're an independent contractor in
19 got to E-Verify them. And they have to, you know, fill	19 every sense of the word, so and
20 out the the agreement, and they have to fill out a	20 Q. Well, let's go through what is the sense of
21 W-9.	21 the word that you understand that makes them independent
22 Q. Let me	22 contractors?
23 A. Just like I do with all the contractors that do	23 A. What do you mean?
24 maintenance and construction work and air-conditioning	24 Q. Well, you're saying that they're independent
25 work, so	25 contractors in every sense of the word. I asked if it
Page 22	Page 24
1 MS. MONGOMERY: Objection, nonresponsive.	1 was because they signed this license agreement. You
2 Well, I'll say objection to the nonresponsive portion of	2 said that and every other thing. So I'd want to know
3 that.	3 what from your perspective, what that is.
4 Q. This Page 4 that I've pulled up of this I'm	4 A. Well, I'm not a I'm not a lawyer, so
5 calling it the Entertainer Packet. Is this the	5 Q. I didn't
6 agreement that you were referring to that I'm going	6 A you know?
7 to make it I'm going to show you the full-page, and I	7 Q I'm not asking you
8 can scroll down through. It says License, Terms, and	8 A. Maybe my perspective doesn't hold the same
9 Conditions. And I can make it bigger if you want to see	9 weight as, you know, a labor attorney.
10 it bigger. Is this what each of the entertainers has to	10 Q. Well, I didn't say it did, sir. I'm just
11 sign, to your knowledge?	11 trying to understand your perspective.
MR. KING: Objection, form.	12 A. Right. Well, my perspective is that they've
13 A. Yeah, to my knowledge. Like I said, I Mike	13 signed a contract and an agreement with the company that
14 is the one who set this up with the lawyers. You know,	14 they work as an independent contractor, and we've agreed
15 I trust, you know, the lawyers that he's hired, so I've	15 to uphold everything within that contract.
16 never actually read through the contract myself. So,	16 Q. Is there anything else that you believe makes
17 you know, I can't say that I've actually seen it or	17 them independent contractors?
18 digested it. So I know they exist.	18 A. The contract says so, and our labor attorneys
	7. The contract says so, and our labor attorneys
19 Q. Have you ever have you ever gone through and	19 say so. Multiple labor attorneys say so.
Q. Have you ever have you ever gone through andapproved a new entertainer to perform at the Yellow	
	19 say so. Multiple labor attorneys say so.
20 approved a new entertainer to perform at the Yellow	19 say so. Multiple labor attorneys say so.20 Q. Just be clear, I'm not going to ask you any
20 approved a new entertainer to perform at the Yellow21 Rose?	 19 say so. Multiple labor attorneys say so. 20 Q. Just be clear, I'm not going to ask you any 21 specifics about attorney-client conversation. So I just

Q. Does the club keep track of whenentertainers -- like the dates and hours that

Page 25

JON PERSINGER NATALIE HEATH vs TFS DINING

September 23, 2021 25–28

Page 27

1 entertainers performed?

2 A. No.

3 Q. Who's in charge of, like, the bookkeeping for

4 the club?

5 A. The back office is run by my wife, Beth, and

6 all the paperwork flows through her. And she offices up

7 in Round Rock, and, you know, I help her out.

8 Q. Now, is it Beth Persinger?

9 A. Yes.

10 Q. The back office, what-all is the back office

11 responsible for?

12 A. Payroll, payables, filing, paying taxes, you

13 know, that we have to pay the state. And we do an audit

14 on employee files, make sure that as they come in, they

15 have everything that's required by the federal and state

16 government.

17 Q. And that's where -- the back-office, that's

18 where the employee files are kept?

19 A. Yes.

20 Q. Do they also keep the -- I guess, the

21 applications and information on each of the entertainers

22 that perform there?

23 A. Yes. We -- yeah, the folders that have the --

24 the independent contractor agreement and their

25 application, copy of their Social Security, copy of

Page 26

1 their driver's license. That's all kept at the

2 back-office, too. And --

3 Q. So all the --

4 A. -- we use the W-9 information that they provide

5 us to issue 1099s.

6 Q. Now, the 1099s that are issued to the

7 entertainers, what are the monies that are included on

8 the 1099s?

9 A. When a customer turns around and pays them in a

10 gift certificate we refer to as Rose dollars, they have

11 to turn those in, and they get paid cash for that. And

12 then we turn around and keep track of that, and if they

13 make over \$600 in Rose dollars, then we have to report

14 that to the IRS.

15 Q. So to be clear, when a customer wants to pay

16 using a credit card, does he do that transaction with

17 some sort of staff member at the club and then the staff

18 member at the club gives him the Rose dollars, if you

19 will?

20 A. Yes.

21 Q. Okay. And then the Rose dollars are then given

22 out either to pay for dances or tips that an entertainer

23 performs, right?

24 A. Right. Customer gets handed the Rose dollars,

25 and what he does with them, you know, is to his

1 discretion.

Q. How does the entertainer -- or who is she

3 supposed to exchange those Rose dollars with for cash?

A. Door girl.

5 Q. Does the door girl keep track of the dance

6 dollars being exchanged per entertainer name?

7 A. Yes.

Q. Other than tracking the credit card to Red Rose

9 dollar exchange, are any other monies that are given to

10 the entertainers, are any of those monies tracked by the

11 club?

12 A. No.

13 Q. So tips are not tracked by the club, correct?

14 A. No.

15 Q. And any dance fees or VIP charges that an

16 entertainer may receive, those aren't tracked by the

17 club, correct?

18 A. No. The only thing we track is the Rose

19 dollars.

20 Q. Now, there's other employees of the club other

21 than the managers, correct?

22 A. Bartenders, waitresses, barbacks.

23 Q. And I understand that the general manager or

24 another manager has the ability to hire the other staff

25 at the club, correct?

Page 28

1 A. The employee staff? Yes.

2 Q. Do you have any role in hiring the employee

3 staff?

4 A. No.

5 Q. The employee staff -- well, hold on. The lower

6 level -- I'm just going to call them the lower-level

7 managers, the non-general manager. Do you set the other

8 managers' pay?

9 A. Yeah, you know, I've never really been involved

10 in actually setting the pay with them. So me,

11 personally, no.

12 Q. Well, I guess, you had said before when your --

13 for the general manager, the ownership votes on -- and

14 would vote and approve on the pay for the general

15 manager. Is that also true for the other managers at

16 the club?

17 A. General manager would approve any pay raises,

18 you know, and, you know, have to substantiate them to

19 ownership.

20 Q. Is the same true for the other staff at the

21 club other than managers? Does the general manager set

22 what the bartenders and the door guy -- door girl are

23 going to receive?

24 A. Yeah. Everything is in charge -- I mean is in

25 the general manager's hands. And, you know, I mean,

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Page 31

Page 29
1 there are standards that, you know, have been set in

- 2 terms of what, you know, bartenders make and, you know,
- 2 torrio or what, you know, bartonaoro make and, you know,
- 3 barbacks make that have been there for years, so -- but,
- 4 you know, if there's a particular person that, you know,
- 5 he wants to give more money to, you know, he certainly
- 6 can if he feels necessary to do it.
- Q. The standards that have been there for years,
- 8 is that something that the ownership set?
- 9 A. I assume at one point in time, but, you know,
- 10 like I said, I wasn't involved in it.
- 11 Q. The bartenders and the waitresses, do they keep
- 12 their tips?
- 13 A. Yeah.
- 14 Q. Do they get paid the -- I guess I don't know
- 15 what it's called. I'd call it the tipped employee pay.
- 16 But it's less than minimum wage because they receive
- 17 tips?
- 18 A. Yeah. With the employees, they get paid, you
- 19 know, the tip minimum, you know, that the state sets.
- 20 Q. Right.
- 21 A. And then they have to declare their tips, and
- 22 we monitor it every payroll. And if somebody does not
- 23 make minimum wage, then the company kicks in and makes
- 24 sure that it does.
- 25 Q. Other than the bartenders and waitresses, is

- 1 a regular basis?
 - A. No, not anymore.
- 3 Q. When did he -- was there a time period he used
- 4 to be?

7

- 5 A. Well, when he -- when he lived here, he would
- 6 go by and have drinks, but -- yeah.
 - Q. When did he move away?
- 8 A. I'm guessing about a year ago. Maybe longer.
- 9 Q. Has the Yellow Rose been through any prior --
- 10 other than the case we're here about today, have they
- 11 been through any other prior FLSA lawsuits?
- 12 A. Other than the one that -- that was initiated
- 13 back in '93, not that I recall.
- 14 Q. All right. I'm going to set the 1993 one aside
- 15 for a minute.
- 16 A. Yeah, so -- yeah.
- 17 Q. That's been a minute. Well, one question about
- 18 it: Were you the owner at the time of the one -- from
- 19 the 1993, or was that something you're just aware of?
- 20 A. No. It's something I'm aware of because it was
- 21 an issue that had to be resolved for me to agree to
- 22 invest in Gala Entertainment, is that lawsuit had to be
- 23 resolved with the Department of Labor. And it was,
- 24 so --
- 25 Q. And it was --

Page 32

- 1 there anyone else at the club that's treated like the
- 2 tipped employee?
- 3 A. Barback.
- 4 Q. And you know what I mean when I say the tipped
- 5 employee? The one whose tips are being monitored by the
- 6 club and --
- 7 A. Yeah. Anybody we pay less than the seven
- 8 whatever an hour -- whatever the minimum wage is --
- 9 yeah.
- 10 Q. Okay.
- 11 A. So bartender, waitress, barback.
- 12 Q. Perfect. Now, earlier you had mentioned that
- 13 Mr. Michael Persinger had -- he generally would create,
- 14 like, the policies and procedures that were enforced at
- 15 the club; is that true?
- 16 A. Yes.
- 17 Q. And did you as the owner have any role in
- 18 setting the policies or procedures of the club that were
- 19 in effect during the relevant period? That's the
- 20 August 2017 to present.
- 21 A. No.
- 22 Q. Okay. You just delegated that task completely
- 23 to Mr. Michael Persinger?
- 24 A. Yes.
- Q. Does Michael Persinger -- is he at the club on

- 1 A. -- invest.
- 2 Q. -- was it -- the Department of Labor was
- 3 involved?

Page 30

- 4 A. Yeah. From what I recall, there was a -- there
- 5 was a working relationship with the DOL to come up with
- 6 something that they were happy with. And everything was
- 7 dropped, and we were in good standing, and we could move
- 8 forward.
- 9 So, you know, it was a condition, like I
- 10 said, upon me investing, so -- and it got resolved. But
- 11 I mean, it was 100 years ago. I can't remember what I
- 12 had for breakfast yesterday, so --
- 13 Q. I get it. I just -- I appreciate your honesty.
- 14 A. Yeah.
- 15 Q. The Red Rose, how long has it been open?
- 16 A. Two years.
- 17 Q. Has the Red Rose -- has the Red Rose had any
- 18 claims? FLSA claims?
- 19 A. No.
- 20 Q. The Yellow Rose -- back to them -- have they
- 21 had any other lawsuits filed by employees that may not
- 22 have been related to the FLSA?
- 23 A. Not that I recall.
- 24 Q. You said you had -- you assisted your wife in
- 25 the back office management; is that true?

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	D 05
Page 33 1 A. Yeah. She she does the back office work,	Page 35 1 are sold at the club, is that something that they run by
2 and, you know, when she needs help, I help her out.	2 you as
3 Q. Do you review any of the financials for the	3 A. No.
4 club?	4 Q the ownership?
5 A. Just the when the P&Ls are done, I'll take a	5 A. No.
6 look at them.	6 Q. Does the ownership have regular meetings about
7 Q. Is that a yearly thing that's done?	7 the club?
8 A. Monthly, when we're when we're lucky. But	8 A. One meeting in October. Every year we kind of
9 yeah, so	9 get together.
10 Q. You strive for monthly but don't always	10 Q. Do you have that set up for this year?
11 reach	11 A. Yeah, actually, we do.
12 A. Strive yeah, we strive for monthly. Doesn't	12 Q. When are you guys going to meet?
13 always happen.	13 A. Mid-October. And we're going to meet yeah,
14 Q. The club's web site, do you have any	14 mid-October.
15 involvement with the content that goes on the web site?	15 Q. Do the managers provide the hold on. Let me
16 A. No.	16 back up a minute. Does any of the staff at the club
17 Q. What about social media for the club?	17 have any benefits other than their pay?
18 A. No.	18 A. No.
19 Q. Do you have any involvement in setting, like,	19 Q. So no paid time off?
20 an advertising or promotion budget for the club?	20 A. Well oh. If if you know, if we have a
21 A. No.	21 long-term cook, you know, in the kitchen that has been
22 Q. Who would do those things?	22 there a while, you know, and they take a vacation, we'll
23 A. Good question, you know? I mean, I'm not I	23 go ahead and pay them for the week.
24 don't attend the managers' meetings, you know, and all	24 Q. There's no, like
25 that's discussed at managers' meetings which happen, you	25 A. But that's about it.
20 and a discussion at managere meetings which happen, yes	
Page 34	
1 know once a week But I don't I don't attend them	1 O Voob Thoro's no like set policy like
1 know, once a week. But I don't I don't attend them,	1 Q. Yeah. There's no, like, set policy like
2 so	2 A. No set no set policy, no.
2 so 3 Q. Is there, like, a budget for lack of a	 2 A. No set no set policy, no. 3 Q. So, like, if you've been there five years, you
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JON PERSINGER

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Q. And you wouldn't accept any entertainers that

A. I'm not sure what you mean by that question.

Q. My question is that you -- well, you as the

25 owner do not want any entertainers performing at the

wanted to perform as employees, correct?

MR. KING: Objection, form.

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NATALIE HEATH vs TFS DINING Page 37 Page 39 authorization to -- like signatory authorization on the 1 club that desire to be employees, correct? A. Well, I've never been asked the question. I 2 account? don't think any of them want to be considered employees. 3 A. That would be myself, my wife, and Jonathan 4 Not any that I've ever talked to, so --Joseph. 5 Q. Let me take like a five minute break and see 5 Q. Yes. But that's not my question of what they might want. My question is what is acceptable to you as 6 what else I have to ask you, okay? 7 the owner. 7 A. All righty. A. Well, you know, I mean, the business model that 8 8 (Brief recess.) 9 9 we have, you know, seems to make, you know, everybody Q. Is there anyone, any of the staff -- well, happy so I'm fine just keeping it the way it is. 10 let's say it this way. Is there any other person working at the club that is considered an independent 11 Q. Well, my question is: Would you accept an 12 entertainer who wanted to be an employee? 12 contractor, other than the entertainers? 13 13 A. I don't know. I'd have to consult my attorney A. No, not that I'm aware of. 14 Q. And I'm not talking about, you know, somebody on that because that would be a very odd question, you you might hire to, you know, fix one thing at the club know? I mean, you're throwing a curveball from way left 16 and leave. I'm talking about people that go there field on that question. So I don't think that question 17 regularly. would ever come up, so I don't even know how respond to it. But, you know, it'd be something that I would have 18 A. Yeah. I don't -- I don't know the relationship with the valets, or even if they have one. And I know 19 to consult our labor attorney on. 20 that it's gone back-and-forth, so I don't know the 20 Q. The entertainers, do they pay like a -- I call 21 21 it a house fee. But do they pay fees to the club? status of that now. I'm just not that involved, so --22 22 Q. Got it. The --A. There is a house fee, yes. 23 A. Other than that --23 Q. Is that something that the club tracks? Like 24 24 what entertainers pay in what amount? -- the entertainer application and packet that 25 A. Yes. we looked at earlier, it's Exhibit 3, is there a similar Page 38 Page 40 1 sort of contract that the employees of the club have to 1 Q. And who set the amount of the fees? 2 sign? 2 A. The amount was set years ago by Mike Persinger. 3 A. No. 3 And have they increased or decreased over time? Q. When did Mike Persinger -- when did he first 4 A. I really don't know. 5 start handling that paperwork and/or working with the 5 Q. Does Mr. Gonzalez have the authority to 6 labor lawyers on the paperwork? 6 increase or increase those fees? 7 A. Well, he was the president of the company, you 7 A. He would have to consult the ownership on that 8 know, for -- all through the '90s. And, you know, I one probably. But, you know, it hasn't been asked. You 9 can't remember when he -- when he stepped down as that, know, it was set by -- by Mike years ago, and as far as but might've been 2006 or -- might've been 2000. But I know, it hasn't changed in a long time, you know? anyway, you know, so he's always worked with the It -- you know, if they show up at the beginning of the 11 12 attorneys. shift, they don't pay anything. 13 Anything to do with, like, an attorney 13 Q. Is the -that we have to deal with, you know, Mike spearheads 14 A. Like --14 15 that. Always has spearheaded it and just updates, you 15 Q. -- sorry. know, the rest of the ownership via text or call --A. I said, you know, it starts with them. If they 16 17 phone call or whatever, so -- but, you know, anything to show up at the beginning of a shift and are ready to do with contracts, anything to do with that, he's -work, they don't pay anything. So there is no house 19 he's our Huckleberry. fee, you know? And if they choose -- if they want to

20

21

22

24

25 aware of.

come later, then, you know, it escalates every -- I

23 have here. I'm going to mark it as Exhibit 4. This is

an example of some of the fees, at least that we're

Q. Yeah. I'll go ahead and I'll show you what I

think every 30 minutes, if I remember right.

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1	Page 41 A. Okay. Yeah. So you can see that the dayshift	1	Page 43 Q. And who is in charge of making sure that the
2	escalates \$5 every 30 minutes. And then night shift,	2	club is in compliance with the ordinances?
3	looks like it's the same thing. So, yeah, that was	3	A. Mike.
4	that was been in place since, you know, since Mike	4	Q. I understand some of the ordinances are
5	had the authority to make them, and he was operating as	5	particular to the entertainers at the club, correct?
6	president. I don't think they've changed, so	6	A. What what do you what do you mean by
7	Q. Are there certain entertainers that are	7	that?
8	approved work the dayshift or I'm not saying that	8	Q. Meaning that the way an entertainer is her
9	right. Hold on. Are there certain entertainers that	9	body is covered or how she entertains is part of the
10	are only approved to work during the dayshift as opposed	10	sexually oriented business ordinances, correct?
11	to being able to come at night?	11	A. Yeah, they yeah, they have comportment
12	A. That is determined by the managers of the	12	clauses in terms of, you know, what they want to see and
13	shifts, and they can pick or choose, you know, who they	13	don't see, so
14	allow to work their shifts. And, you know, the	14	Q. Who at the club is responsible for making sure
15	ownership doesn't get involved in that at all.	15	the entertainers are complying with the ordinances while
16	Q. So the managers could actually	16	they're
17	A. So, yeah, you need approval. So if a girl	17	A. Managers.
18	wants to work a dayshift then she wants to work Tuesday	18	Q in the club?
19	through Friday, then she talks to Kenny. You know, if	19	A. Managers.
20	she wants to work a weekend, you know, then she talks to	20	MS. MONGOMERY: I will reserve the rest of
21	Chris.	21	my questions for now and pass the witness.
22	You know, if she wants to work a split	22	MR. KING: Mr. Persinger, we'll reserve
23	shift, then it would be Kenny or Chris, same day, so	23	questions for you for trial.
24	and then so on and so forth. And then, you know,	24	(Deposition concluded.)
25	anything at night would be approved from, you know,	25	(Persinger Exhibits No. 1 - 4 marked.)
	an, nang an ing in incara at approved in in, year incar,		
1	Page 42 Eddie on down to probably five different floor		Page 44 CHANGES AND SIGNATURE
2	managers can make that approval. It's not it's not a		DEPOSITION OF JON PERSINGER
3	complicated process.		SEPTEMBER 23, 2021
4	Q. Do you know the	PAG	GE LINE CHANGE REASON
5	A. They just need		
6	Q sorry.		
7	A. I said they just need to get approval. It's		
8	not a complicated process.		
9	Q. Do the entertainers have to sign in with anyone		
10	when they come to perform?		
11	A. The yeah. They sign in at the front door,		
12	if I recall, and then the door girl gives them a slip.		
13	And once they're ready, then that slip is signed by a		
14	floor manager. I'm not sure if DJs can sign it too,		
15	but and then it goes back up to the front door and		
16	let's them know when they start when they're ready to		
17	go, so		
18	Q. Is there another process when the entertainer's		
19	done for the evening? Does she have to sign out with		
20	anyone?		
21	A. No.		
22	Q. Are those well, scratch that. The club, is		
23	it subject to some sexually oriented business		
24	ordinances, to your knowledge?		
25	A. Yes.		

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Page -	45	Page 47
I, JON PERSINGER, have read the foregoing	LEIGH S. MONTGOMERY	J
transcript and hereby affix my signature that same is	ELLZEY & ASSOCIATES, PLLC	
true and correct, except as noted above.	1105 Milford Street	
Title and correct, except as noted above.	Houston, Texas 77066	
	WILLIAM X. KING	
JON PERSINGER	WALLACE & ALLEN, LLP	
THE STATE OF TEXAS)(440 Louisiana Street, Suite 1500	
	Houston, Texas 77002	
COUNTY OF)(I further certify that I am neither counsel for,	
Before me,,	related to, nor employed by any of the parties or	
on this day personally appeared JON PERSINGER, known to	attorneys in the action in which this proceeding was	
me (or proved to me under oath or through	taken, and further that I am not financially of	
	otherwise interested in the outcome of the action.	
) (description of identity	Further certification requirements pursuant to Rule	
card of other document) to be the person whose name is	203 of TCRP will be certified to after they have	
subscribed to the foregoing instrument and acknowledged	occurred.	
to me that they executed the same for the purposes and	Certified to by me this day of,	
consideration therein expressed.	2021.	
Given under my hand and seal of office	AMANDA FULLER, Texas CSR No. 11418	
this day of, 2021.	· ·	
day 51, 2521.	Expiration Date: 11-30-21 Bryant & Stingley, Inc., CRN No. 512	
	, , , ,	
NOTARY PUBLIC IN AND FOR	2010 E. Harrison	
THE STATE OF TEXAS	Harlingen, Texas 78550	
	956-428-0755	
Page	46	Page 48
UNITED STATES DISTRICT COURT	UNITED STATES DISTRICT COURT	J
FOR THE WESTERN DISTRICT OF TEXAS	FOR THE WESTERN DISTRICT OF TEXAS	
AUSTIN DIVISION NATALIE HEATH, ET AL)(AUSTIN DIVISION	
Plaintiff)(NATALIE HEATH, ET AL)(Plaintiff)(
)(Plaintiff)()(
VS.)(VS. ()(
)(CASE NO. 1:20-cv-00890-RP)(CASE NO. 1:20-cv-00890-RP	
TFS DINING, LLC, AND RPM)(DINING, LLC DBA YELLOW ROSE;)(TFS DINING, LLC, AND RPM)(
JON PERSINGER, ET AL)(DINING, LLC DBA YELLOW ROSE;)(
Defendant)(JON PERSINGER, ET AL)(
REPORTER'S CERTIFICATION	Defendant)(
ORAL DEPOSITION OF JON PERSINGER	FURTHER CERTIFICATION UNDER RULE 203 TCRP	
SEPTEMBER 23,2021	TO THE ORAL DEPOSITION OF JON PERSINGER	
I, AMANDA FULLER, Certified Court Reporter in and for the State of Texas, hereby certify to the following:	SEPTEMBER 23,2021 I, Amanda Fuller, certify that the original Changes	
That the witness, JON PERSINGER, was duly sworn by	and Signature Page of JON PERSINGER:	
me, and that the transcript of the oral deposition is a	was received by the Deposition Officer on	
true and correct record of the testimony given by the	;	
witness;	was not received by the Deposition Officer;	
That the deposition transcript was submitted on	That, if returned, the attached Changes and	
attorney for DEFENDANT for examination, signature and	Signature Page contain any changes and the reasons	
return to me by;	therefor;	
That the amount of time used by each party at the	If returned, the original Changes and Signature Page	
deposition is as follows:	was delivered to Leigh S. Montgomery, Custodial	
Leigh S. Montgomery - 38 minutes	Attorney;	
That pursuant to information given to the deposition	That \$ is the deposition officer's charges to PLAINTIFF for preparing the original deposition	
officer at the time said testimony was taken, the following includes counsel for all parties of record:	transcript and any copies of exhibits;	
15.5golddod oddilool for all parties of febold.	1	

September 23, 2021

5 40	
That the deposition was delivered in accordance with	
Rule 203.3, and that a copy of this certificate was	
served on all parties shown herein on	
and filed with the Clerk.	
Certified to by me this day of	
, 2021.	
AMANDA FULLER, Texas CSR No. 11418	
Expiration Date: 11-30-21	
Bryant & Stingley, Inc., CRN No. 512	
2010 E. Harrison	
Harlingen, Texas 78550	
956-428-0755	